



Australian Bureau of Statistics

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Summary

Introduction

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As part of the ABS's ongoing commitment to the review and development of statistical standards, the ABS is currently assessing the appropriateness of the suite of product classifications used to produce product-based data. This is a widespread review which is being undertaken in conjunction with other specialised reviews such as the review of the Consumer Price Index Commodity Classification.

This Discussion Paper seeks public comment on the integration of the product classifications used by the ABS, and the resulting coherence of published product-based data.

ABS's Product Classifications

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Classifications provide structured frameworks to support systematic data collection, collation, manipulation, dissemination, and statistical analysis.

Product classifications relate to physical goods, and in some cases, services. The ABS currently uses a range of product classifications which are each designed to meet specific objectives.

In many instances the ABS has followed the international statistical community and used international standards. These are classifications which have achieved broad acceptance and are approved and recommended for the collection and production of particular types of statistics. In some cases the international standard has been used without modification. For example, the United Nation's Standard International Trade Classification (SITC) has been adopted for the production of a range of import and export output data. Trade data is also produced using the World Customs Organization's Harmonized Commodity Description and Coding System (HS) as there is a strong link between the HS and widely agreed customs regulations and agreements.

Other international standards have been used with minor changes to suit local conditions, while others have been used only as a base from which major changes have been implemented to meet the ABS's and Australia's requirements.

Other product classifications which do not have any links to international references have been developed by the ABS to meet specific needs. In some cases they have been developed in close consultation with data providers, government agencies, and key stakeholders and data users. Australia's Agriculture and Mining industry commodity statistics have been largely developed using this approach.

The conceptual basis used, the extent of the goods and services covered, and the level of detail identified varies across these classifications.

The concepts and principles underpinning product classifications are essentially designed to reflect the nature and extent of the subject-matter being covered and support particular types of analysis and user needs. Aspects such as the physical properties of products, their intrinsic nature, the product's purpose or end use, and the industry of origin are all valid conventions upon which product classifications may be based.

Classifications which define categories according to the physical properties of the products and services covered are ideal for areas such as agriculture, mining and manufacturing where the main statistical interest lies in a relatively straightforward measure of production. In contrast the Australian Consumer Price Index Commodity Classification (CPICC) is a classification of all goods and services acquired by households. A feature unique to this classification (and other prices classifications) is the grouping together of substitutable items. For instance, take-away meals are recognised as substitutes for eating at home, so both at-home food products such as meat, fruit and vegetables, and take-away meals are included in the CPICC 'Food' group. Hence the CPICC includes a purpose dimension not required in agriculture, mining and manufacturing classifications. Please note the CPICC is also currently under review. Details can be found in the Information Paper: Issues to be considered during the 16th series Australian Consumer Price Index review (ABS Catalogue No. 6468.0). The outcomes of the CPICC review will be incorporated with the outcomes of this discussion paper.

The Australian National Accounts uses another conceptual approach. The Input–Output Product Classification (IOPC) used to compile Australia's input–output tables focuses on both the production and subsequent use of all goods and services. The IOPC groups products according to the industry to which the product is deemed primary.

The extent of correspondence and harmonisation possible between classifications depends on the relatability of the classification's item category breakdowns and the conceptual links that can be established between them. There is not a standard underlying basis linking all classifications. To overcome this issue the ABS uses a number of correspondence tables which link various combinations of classifications, and hence allows for a degree of relatability between data derived from different sources or by different collection standards. Whilst correspondence tables are a valuable tool for relating data to varying degrees, there are instances where it is difficult to establish a relationship between classifications.

It is in this area that data users, analysts and researchers face potential problems. Whilst the use of particular classifications may be well suited to those who have a specialised and focused interest in areas such as agriculture or price movements, it is less than ideal to those who relate data from many sources into a cohesive broader view of the economy.

A detailed list of statistical topics, the classifications used within these topics, and a selection of ABS publications in which relevant product data appears, is included in Appendix 1. The appendix provides an insight into the extent of data covered by product classifications and the different classifications used.

Feedback

Feedback

The ABS would welcome views on the classifications currently used in the production of product data. Formal submissions are being sought from a wide range of stakeholders. Submissions should include the name of the organisation your views represent, a contact name, telephone number and an email address to allow for follow-up contact should the ABS require clarification of information provided, and for future correspondence relating to product classification development.

An area of particular interest in which feedback is sought is whether the use of data derived from multiple sources which use a variety of classifications causes any difficulties to data analysts or researchers, particularly in terms of building a coherent picture of activity across the economy. It should however be noted that a balance is required between any rationalisation of the number of classifications used, or changes to their conceptual frameworks, and the need to maintain the 'fitness for purpose' of classifications.

Submissions should note:

- the classifications used and/or the product data used,
- the nature of the analysis being undertaken,
- any other (non-ABS) classifications and/or data being used,
- an explanation of the problems encountered, and any impediments to policy development or outcomes; and
- actual examples of problematic areas.

Due date for Feedback

The ABS requests all feedback be provided by Wednesday 31 March 2010. Written submissions should be forwarded to:

economic.classifications@abs.gov.au

or mailed to:

Standards and Classifications Section
Australian Bureau of Statistics, Locked Bag 10
Belconnen ACT 2616

After careful consideration of the range of views represented in submissions, the ABS will consider the next appropriate step(s) in the process. This will likely involve further dialogue with stakeholders as we approach a consolidated position. The ABS aims to conclude the process by June 2011 and all stakeholders will be informed of the outcomes at the earliest opportunity. In the interim, submissions will not receive a formal response.

Queries regarding this discussion paper should be directed to Peter Marion of the Standards and Classifications Section on (02) 6252 6222. Enquiries regarding statistical information produced by the Australian Bureau of Statistics should be directed to the National Information and Referral Service on 1300 135 070, or emailed to client.services@abs.gov.au.

Appendix 1. Selected ABS publications and relevant product classifications

APPENDIX 1. SELECTED ABS PUBLICATIONS AND RELEVANT PRODUCT CLASSIFICATIONS

Topics	Publication and Catalogue Number	Underlying classifications
Agriculture	7111.0 - Principal Agricultural Commodities, Australia, Preliminary, 08-09 7112.0 - Selected Agricultural Commodities, Australia, Preliminary, 2005-06 7121.0 - Agricultural Commodities, Australia 07-08 7124.0 - Historical Selected Agriculture Commodities, by State (1861 to Present), 2007-08 7215.0 - Livestock Products, Australia 7503.0 - Value of Agricultural Commodities Produced, Australia, 2007-08	ACDIL – Agricultural Commodities Data Item List
Mining	8415.0 - Mining Operations Australia 2006-7	The Harmonised Mining Framework
Manufacturing	8301.0.55.001 - Manufacturing Production Australia 8365.0 - Manufacturing Production, Commodities Production Australia 97-98	MIOCC - Manufacturing Input-Output Commodities Classification (discontinued) IOPC - Input Output Product Classification
Retail and Wholesale sales	8624.0 - Retail and Wholesale Industries Australia: Commodities 2005-06 8624.0 - Retail and Wholesale Industries Australia: Commodities 2005-06	SUPC - Supply Use Product Classification
Transport	9208.0 - Survey of Motor Vehicle Use, Australia, 12 months ended 31 Oct 2007 9210.0.55.001 - Survey of Motor Vehicle Use: Data Cubes, Australia, 12 months ended 31 October 2007 9220.0 - Freight Movements, Australia, Summary, March 2001 9220.0.55.001 - Rail Freight Movements, Australia, Summary - Electronic Delivery, 2001-02 and 2002-03	ATFCC - Australian Transport and Freight Commodities Classification
Arts and Recreation	4172.0 - Arts and Culture in Australia: A Statistical Overview 2009 4159.0 - General Social Survey: Summary Results, Australia, 2006 4183.0 - Cultural Funding by Government, Australia, 2007-08	ACLC – Australian Culture and Leisure Classifications
National Accounts	5209.0.55.001 - Australian National Accounts: Input-Output Tables - Electronic Publication, 2005-06 Final	IOPC - Input Output Product Classification EBOPS - Extended Balance

	5215.0.55.001 - Australian National Accounts: Input-Output Tables (Product Details) - Electronic Publication, 2004-05	of Payments Services SITC - Standard International Trade Classification
Prices	6401.0 - Consumer Price Index, Australia 6427.0 Producer Prices Index, Australia 6467.0 - Pensioner and Beneficiary Living Cost Index 6457.0 - International Trade Price Indexes, Australia	CPICC – Consumer Price Index Commodity Classification SITC
Household Expenditure	6530.0 Household Expenditure Survey, Australia: Summary of Results 2003-04	HEC - Household Expenditure Classification
Balance of Payments and Import and Export Trade	5368.0 - International Trade in Goods and Services, Australia 5439.0 - International Merchandise Imports, Australia 5302.0 - Balance of Payments and International Investment Position, Australia, Sep 2009	SITC Harmonized Tariff Item Statistical Code (HTISC) (Imports) AHECC - Australian Harmonised Export Commodity Classification EBOPS - Extended Balance of Payments Services BOPBEC - Balance of Payments Broad Economic Category BOPCE - Balance of Payments Commodity of Export BEC - Broad Economic Categories ANZSIC - Australian and New Zealand Standard Industry Classification (used as a goods classification)

About this Release

As part of the ABS on-going commitment to the review and development of statistical standards, the ABS is currently assessing the impact on policy of ABS products-based data.

This Discussion Paper seeks public comment on the suitability of the product classifications used by the ABS, and the resulting usefulness and relevance of published product-based data.